

(S. B. 568)

**(No. 104-2017)**

(Approved August 17, 2017)

## **AN ACT**

To amend Section 1051.06 of Act No. 1-2011, as amended, better known as the “Internal Revenue Code for a New Puerto Rico,” in order to add to said Section the donations made to the State Capitol Endowment of the Legislative Assembly.

### **STATEMENT OF MOTIVES**

The main purpose of Act No. 40-2011, known as the “State Capitol Endowment of the Legislative Assembly Act,” is “to conserve, preserve, and restore the Historic and Cultural Heritage that the State Capitol of the Legislative Assembly represents, as well as the present historic structures and any others that may fall under the jurisdiction of the Office of the Superintendent of the Capitol in the future.” Based on the foregoing premise, said Endowment is devoted to oversee and upkeep every structure surrounding the Capitol of Puerto Rico. This legislation is conceived as a result of said legal mandate and the historic circumstances that the Island is undergoing.

Furthermore, in order to comply with said mandate it is necessary to search for alternative sources of income. This amendment to Act No. 1-2011 shall enable the Legislative Assembly to receive the necessary private resources for the upkeep of these structures, which are part of the patrimony of the People of Puerto Rico. At the same time, we would also be granting a tax relief to those who decide to contribute to the endowment for the benefit of the people. In this manner, we would be directly contributing to preserve the stately splendor of these structures, token of our democracy, while indirectly contributing to provide our visitors with services excellence.

For all of the foregoing and given the current scenario and the lack of State funds for such purposes, this Legislative Assembly deems this measure to be meritorious to fully comply with the law's mandate.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1.- Section 1051.06 of Act No. 1-2011, as amended, better known as the "Internal Revenue Code for a New Puerto Rico," is hereby amended to read as follows:

"Section 1051.06.- Credit for Donations to the Santa Catalina Palace Endowment (*Patronato del Palacio de Santa Catalina*) or the State Capitol Endowment of the Legislative Assembly.

(a) Amount of the Credit. - A tax credit shall be granted against the tax imposed by this Subtitle for donations made or generated as a result of the efforts of the Santa Catalina Palace Endowment or the State Capitol Endowment of the Legislative Assembly. The amount of said credit shall be one hundred percent (100%) of the amount donated during the taxable year.

(b) This credit shall be in lieu of the deduction for donations granted under Sections 1033.15(a)(3). The amount of the credit that cannot be claimed in the taxable year in which the donation is made may be carried over to subsequent taxable years until used in its entirety.

(c) The tax credits to be granted shall not exceed two million five hundred thousand dollars (\$2,500,000) in the aggregate for any taxable year.

(d) Verification.— All individuals, corporations, or partnerships that claim the tax credit set forth herein must attach to their income tax return a certification issued by the Palace of Santa Catalina Endowment, or in lieu thereof State Capitol Endowment of the Legislative Assembly, as evidence that the donation was made and accepted.

Section 2.- Severability Clause

If any provision of this Act were held to be unconstitutional or void, said holding shall not affect, impair or nullify the remaining provisions thereof. The effect of said holding shall be limited to the paragraph, subsection, or Section of this Act held to be unconstitutional.

Section 3.- Effectiveness

This Act shall take effect upon its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 104-2017 (S. B. 568)** of the **1<sup>st</sup> Regular Session** of the **18<sup>th</sup> Legislative Assembly of Puerto Rico**:

**AN ACT** to amend Section 1051.06 of Act No. 1-2011, as amended, better known as the "Internal Revenue Code for a New Puerto Rico," in order to add to said Section the donations made to the State Capitol Endowment of the Legislative Assembly.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 12<sup>th</sup> day of February, 2018.

Orlando Pagán-Ramírez  
Acting Director